

Date: September 15, 2009
Initiative 09-0023 (Amdt. #1-S.)

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

WEALTH TAX. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

Imposes one-time tax of at least 55% on property in California exceeding \$6.7 million if single, \$8.9 million if married. Imposes one-time tax (between 36.5% - 54.3%) on income exceeding \$10 million when resident dies or leaves California. Imposes additional 17.5% tax on total incomes of taxpayers with income exceeding \$150,000 if single, \$250,000 if married; 35% if incomes exceed \$350,000 if single, \$500,000 if married. Creates tax credits. Requires State to acquire shares of specified corporations to influence environmental practices. May exempt new revenues from education funding requirements. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: One-time increase in state revenues potentially in the low hundreds of billions of dollars from imposition of a wealth tax, and ongoing increase in state revenues potentially in the tens of billions of dollars from imposition of the tax on certain people dying or leaving the state and from a higher Personal Income Tax rate on upper-income taxpayers. Increased state general purpose funding of \$25 billion during each of the first five years and \$10 billion a year thereafter. Remaining revenue would be allocated to purchasing the common stock of various weapons, petroleum, automotive, media and financial companies, as well as for other environmental protection-related purposes. Unknown state and local revenue reductions—potentially in the tens of billions of dollars annually—due to changes in taxpayer behavior. (09-0023.)